

MEETING OF FUNDED CO-OPERATIVES, 23RD DECEMBER 1985, NAURU HOUSE

MEETING NOTES

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The meeting was attended by the following people:

<u>Co-operatives</u>	<u>Representative</u>
Goldfields Radio Co-operative Ltd.	Daryl Evans Bev Ellis
Wholefoods Co-operative Ltd.	Peter Lockyer
3.P.B.S. Co-operative Ltd.	Ian Stanistreet
Bendigo Trading Co-operative Ltd.	Cheryl Elvey
Hodja Educational Resources Co-operative Ltd.	Ron Harper Pam Lewis
Brunswick Italo-Australian Employment Co-operative Ltd.	Gareth James
Sugar and Snails Co-operative Ltd.	Hilary Ash Margaret Foddy
Backyard Press Co-operative Ltd.	Errol Ellis David Rae
Correct Line Graphics Co-operative Ltd.	Paul McGregor
Gay Publications Co-operative Ltd.	Danny Vadasz
D.E.I.A.	David Griffiths Jim Asker Noel Maloney Oenone Serle Tony Ceddia Monica Fawcett

Apologies were received from Ballarat Trading Co-operative Ltd.

The meeting was opened at 5.20 p.m. by Monica Fawcett who introduced Tony Ceddia, and the other speakers as each agenda item was reached.

2.

(750)

1. LOAN REPAYMENT ARRANGEMENTS

Tony Ceddia

- a. Copies of repayment tables have been sent out to each group, first instalment due in 1987.
- b. Will provide each group with further details on an invoice basis.
- c. No interest if paid out earlier or pay instalments earlier.

If cannot pay, then recalculation of loan instalments to allow payout within agreed time. Any time extension would need to be agreed by the Department.

If problems with repayment, then would need to be discussed with the Department.

- d. The information has been provided early to allow groups to budget their repayments and plan well in advance.
- e. Specific problems should be taken up with the C.D.P. unit.

Questions

Q. - Given that groups entered the program with the understanding that funds would be available for 3 years, what is the situation re. loan repayments, given the default of the Department, especially as some groups have budgetted on the continuation of these funds.



R. - The funding has always been provided subject to availability of funds.

Q. - Possibility of loans being transformed into grants for community co-operatives.

R. - This would be up to the Minister to decide.

Q. - If a Worker Co-operative association is established after M.A.C.C., isn't the Government pre-empting this by calling up the loans?

R. - The Department isn't calling up the loans, it is only sending out loan repayment schedules early enough for groups to plan and budget their repayments.

2. UPDATE ON THE CO-OPERATIVE DEVELOPMENT PROGRAM

Monica Fawcett

a. Present Situation

i) Staffing: four full-time positions have been approved for the C.D.P. comprising 1 co-ordinator and 3 administration positions. At present, the co-ordinator position is filled, two administration positions have been advertised and interviews held, but they are not yet filled. One of the advertised positions has had a recommendation made but has not yet been ratified by the Department or the Public Service Board. The second position has been advertised internally and interviews held but no recommendation made. The third administration position is held by Oenone Serle as an "acting" exempt officer (i.e. still considered outside the Public Service) and is being reviewed for upgrading.

Hector has been relocated to a personnel task force and Leigh has chosen to leave on completion of his last contract (exempt employee).

At present there are two officers working in the C.D.P. but Oenone will be away for January.

ii) Budget: The C.D.P. unit was informed by the Director of the Division that the Minister had said that there is no C.D.P. budget. Other programs within the Division have had dramatic budget cuts (i.e. from \$1½ million to \$200,000). As far as the C.D.P. is concerned, this may mean that no groups or courses or any other projects will be funded. However, I understand that the Minister has made a commitment not to pre-empt the recommendations of the Ministerial Advisory Committee on Co-operative. Therefore, some small funding proposals may be considered. This will have a major effect on the new groups, some existing groups and the infrastructure support.

iii) Infrastructure: A number of introductory workshops (about 6) have been held on a monthly basis and a Co-operative Intenders course was completed on 3rd December. Four groups participated in the Intenders Course, three of which have already indicated an interest in continuing with the program. Any continuation will depend upon funding approval.

Preston TAFE's budget expires on 31st December but there are sufficient funds in hand to continue the consultancy service at its present level until the end of this financial year. There are insufficient funds remaining for further courses.



The Ballarat CAE's funds run out at the end of this financial year and their program will continue unchanged.

iv) Existing Groups: One group has had a funding request considered by the Funding Committee but there has been no decision made. It seems unlikely, in the light of the budget, that even if recommended, funding will be provided. Some other groups may also be considering requesting additional funding support, again funding will probably not be provided.

v) New Groups: Meetings are being held with "Intenders" participants to let them know the situation. We have been told to treat them sympathetically.

vi) The Co-operator: Again no decision on the proposal to refund 12 editions of the Co-operator. One edition has been partially funded and printing and distribution funds have been requested as has funding for a M.A.C.C. final report edition. No decision on the partial funding has been made. It seems likely, in the light of the Minister's comments not to pre-empt the M.A.C.C. report, that some funding will be provided.

Question

Q. - The Department said in its contract that it would supply "back-up". Now that this support has gone, does it mean that the contract is null and void?

R. - Contracts do have the clause "subject to availability of funds". Groups should re-read their contracts carefully.

Q. - \$200,000 was mentioned earlier, is this for C.D.P.?

R. - No, these are the funds remaining for A.E.P. & E.D.P.

Q. - What is the official reason for the C.D.P. budget decision?

R. - There has been a change of priorities in the Department. Youth is now the main priority. The C.D.P. has been seriously affected but other programs are also cut back.

Q. - Are funds already approved but not yet paid affected?

R. - No, all previously approved grants/loans will be honoured.

Q. - Current status of C.D.P. staff positions?

R. - In terms of Public Service ceiling, there are 4 C.D.P. positions, but in the light of the budget cuts, we may not get all the positions filled. New budget initiatives are only part of the C.D.P. tasks.

Q. - Who decides on Departmental priorities, i.e. that youth now is first priority, the Minister, Cabinet?

R. - It's party policy to support worker co-operatives but it is up to Ministers to resolve the form of support. With changes to the S.B.D.C. constitution, it could be argued that support is being provided.

### 3. UPDATE ON MINISTERIAL ADVISORY COMMITTEE ON CO-OPERATIVE

#### David Griffiths

Introduced Jim Asker to lead discussion.

#### Jim Asker

- i) News of lack of C.D.P. budget spurred action re completion of report. Already at draft C. stage. This has covered legislation but not developmental or support issues.

Traditional co-operatives do not appreciate worker co-operative situation, e.g. C.F.V. debating having shareholding voting, i.e. not 1 person 1 vote. Partly because of lack of foresight by traditional groups and no sense of future.

Confident the issues can be worked through but co-operatives have to be more active in ensuring their voice is heard.

MACC report will be considered by Cabinet which is influenced by the community. A proposal has been made by the Worker Co-operative Working Party to Government to develop a separate co-operative fund.

MACC is meeting at the end of January to discuss the final draft. Things need to be "in" very shortly. Cabinet will then receive the report and either endorse it or take up some recommendations only. Cabinet may feel there has been a lot of public participation already and so the response period may be very short.

The report release does not mean the end of activity, co-operative development must continue to be pushed.

David Griffiths

MACC is looking at Co-operative legislation - (non controversial) and Co-operative policy - (very controversial). Expects thrust of recommendations will allow groups to choose their own structure, less rigidity, more autonomy, a lessening of discretionary powers of Registrar, etc. The end result is that the new legislation will be quite reasonable.

The controversy remains with Co-operative Development aspects. Centralist views and Decentralist views exist. Centralist idea suggests a single overall Co-operative Development Agency and the decentralist view prefers sector based development. Also debate between laissez-faire philosophy and democracy philosophy.

Another important issue is the nature of the MACC recommendations. Some prefer to say just "self-management" and leave it there. Others prefer a more explicit list of "things which should be done."

The MACC process relates to co-operative development in a number of ways and the more explicit it is the better. This will prevent woolly projects which do not have any real basis for continuation. A preferred option would be for an autonomous Worker Co-operative C.D.A. which would be clear and allow long-term development. However, this is not necessarily agreed by other MACC members. This C.D.A. would prevent such an occurrence as the demise of a C.D.P. unit and allow a firm footing for Worker Co-operative Development in the future. It may be worth considering the issue of a Worker Co-operative Association.

If the MACC report is not explicit, then it may lead to good legislation but not a good basis for worker co-operative development.

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I hope the final report will be available in February.

Questions

Q. - Has there been any canvassing of traditional business re the development of worker co-operatives?

R. - Yes, by means of the Department funding a Conversion co-operative program at RMIT. But this program enshrines traditional business thinking and RMIT cannot conceive of any motivation besides profit.

The other aspect is the amendment of S.B.D.C. Act to allow it to assist co-operatives and maybe set up a co-operative unit. The proposals are unclear and there is no documentation. There is also a fundamental conflict between the notion of small business and the notion of co-operatives. The S.B.D.C. is unable to see this difference and this is an indication of why they are inappropriate to provide co-operative development assistance.

A northern suburbs survey re. conversion aspects showed that about one third of small business (where there are no heirs or successors) would be sympathetic to the idea of conversion to a workers co-operative.

Q. - The Federation is not necessarily as unhelpful as suggested. There are people of "goodwill" as members.

R. - Yes, but they are not on MACC. The Federation does not have a sense of strategy. A director has said that traditional trading co-operatives did not want to think about it.

Q. - May be workers co-operatives should request meetings with traditional co-operatives.

(75)

David advised that he hoped that the Ministerial Advisory Committee on Co-operation would be completed in February 1986.

4. FUNDED CO-OPERATIVES' WORKER

David Griffiths introduced Jim Asker and Noel Maloney.

Jim and Noel explained their employment situation i.e. continuation of previous project but employed as exempt officers of the Department. The workers will work fortnight about and will share responsibility for the project. Jim will attend M.A.C.C., deal with worker co-operatives and Noel will be involved with the non-worker and non-metropolitan groups and the Association report.

Groups would be contacted undividually in the near future.